GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1533
ANSWERED ON:28.11.2000
COAL PROJECTS
TRILOCHAN KANUNGO;UMMAREDDY VENKATESWARLU

Will the Minister of COAL be pleased to state:

(a) whether the Government have prepared a rehabilitation plan for the coal sector;

(b) if so, the details thereof;

(c) whether the project is being funded by any external agency;

(d) if so, the details thereof;

(e) the number of projects under different coal companies included under the rehabilitation projects;

(f) the extent to which the production of coal especially in Singareni Collieries is likely to increase under this programme;

(g) whether all the collieries have been able to submit their plan under the programme; and

(h) if so, the details thereof ?

Answer

THE MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a) & (b) : Yes, Sir. The Coal Sector Rehabilitation Project (CSRP) was prepared with the help of World Bank and Japan Bank for International Cooperation (JBIC) to make Coal India Limited (CIL) commercially viable, self-sustaining and increase coal production for meeting the future demand of the country.

The project consists of an investment component, technical assistance and training component. The investment component was to finance procurement of Heavy Earth Moving Machinery (HEMM) in 24 profitable mining sub-projects and also construction of Coal Handling Plants (CHPs) in four of them. The technical assistance component was envisaged to finance Coal India's institutional capacity development in the project implementation , mining operations and management.

(c) & (d): The Coal Sector Rehabilitation Project was to be co-financed by the World Bank (IBRD) and the Japan Bank for International Co-operation (JBIC) on 50:50 ratio. Total loans comprised US$ 1030 million, out of which US$ 522.60 million is being utilised and the balance US$ 507.40 million remaining unutilised.

Coal India Limited itself requested World Bank and JBIC for the cancellation of the balance uncommitted part of the loan because of various operational reasons. After taking into account the softening of domestic interest rates and the greater flexibility available by recourse to domestic credit on the strength of its balance sheet, CIL was of the view that continuing the World Bank / JBIC project finance for the unutilized portion of the loan was not in its best financial interests.

As the balance of convenience lay in agreed cancellation of the balance uncommitted facility of the World Bank and Japan Bank for International Cooperation (JBIC) loan, CIL initiated appropriate steps for cancellation in consultation with Ministry of Coal and Ministry of Finance. CIL is confident of completing the projects covered by the loan from its own resources.

(e): The Coal Sector Rehabilitation Project (CSRP) has been conceived in the 24 profitable mining sub-projects under five subsidiaries i.e Central Coalfileds Limited (CCL), Mahanadi Coalfields Limited (MCL), Western Coalfields Limited (WCL), South Eastern Coalfields Limited (SECL) and Northern Coalfields Limited (NCL) of Coal India Limited (CIL).

(f): CSRP does not cover any project of Singareni Collieries Co. Ltd.(SCCL).

(g) & (h) : Yes, Sir. All the collieries under Coal Sector Rehabilitation Project (CSRP) will be able to support the programmes undertaken in CSRP.